

ASSOCIATION FOR UTAH COMMUNITY HEALTH

FINANCIAL STATEMENTS

MARCH 31, 2007 and 2006

ASSOCIATION FOR UTAH COMMUNITY HEALTH

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► Lake, Hill & Myers

A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

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REPORT OF INDEPENDENT ACCOUNTANTS

September 20, 2007

To The Board of Directors of
Association for Utah Community Health

We have audited the accompanying statement of financial position of Association for Utah Community Health (a non-profit organization) as of March 31, 2007 and 2006 and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Association for Utah Community Health as of March 31, 2007 and 2006 and the results of its operations and change in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 20, 2007, on our consideration of Association for Utah Community Health's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Association for Utah Community Health taken as a whole. The accompanying schedule of expenditures of federal awards on page 12 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Lake, Hill & Myers

ASSOCIATION FOR UTAH COMMUNITY HEALTH

STATEMENT OF FINANCIAL POSITION

	<u>March 31,</u>	
<u>ASSETS</u>	<u>2007</u>	<u>2006</u>
Current assets:		
Cash	\$ 693,547	\$ 516,193
Accounts receivable	270,576	348,850
Grants and contracts receivable	163,733	100,924
Prepaid expenses	<u>2,393</u>	<u>2,677</u>
Total current assets	1,130,249	968,644
Deposit	4,050	-
Furniture and equipment, net	<u>269,005</u>	<u>253,702</u>
	<u>\$1,403,304</u>	<u>\$1,222,346</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 158,330	\$ 176,544
Accrued expenses	<u>99,834</u>	<u>98,936</u>
Total current liabilities	258,164	275,480
Net assets:		
Unrestricted	893,709	716,646
Temporarily restricted	<u>251,431</u>	<u>230,220</u>
Total net assets	<u>1,145,140</u>	<u>946,866</u>
	<u>\$1,403,304</u>	<u>\$1,222,346</u>

See notes to financial statements.

ASSOCIATION FOR UTAH COMMUNITY HEALTH
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

	<u>Year ended March 31,</u>	
	<u>2007</u>	<u>2006</u>
Unrestricted net assets:		
Public support:		
Restrictions satisfied	<u>\$ 1,521,986</u>	<u>\$ 1,571,202</u>
	<u>1,521,986</u>	<u>1,571,202</u>
Revenue:		
Pharmaceutical administration	517,493	795,005
Government contract	157,088	152,485
Membership dues	9,300	10,550
Interest	4,438	2,699
Other	<u>144,648</u>	<u>36,839</u>
	<u>832,967</u>	<u>997,578</u>
Total unrestricted public support and revenue	<u>2,354,953</u>	<u>2,568,780</u>
Expenses:		
Program services:		
Immunization	233,260	236,984
Americorps	542,726	585,817
Member Services	481,464	446,617
Pharmacy	514,800	770,750
Health Disparities Collaborative	96,354	66,700
Diabetes	<u>63,476</u>	<u>55,522</u>
	<u>1,932,080</u>	<u>2,162,390</u>
Supporting services:		
Management and general	163,165	121,683
Fundraising	<u>82,645</u>	<u>60,841</u>
	<u>245,810</u>	<u>182,524</u>
Total expenses	<u>2,177,890</u>	<u>2,344,914</u>
Change in unrestricted net assets	177,063	223,866
Temporarily restricted net assets:		
Public support:		
Grants and contracts	1,384,972	1,543,918
Matching contributions	157,025	229,250
Other contributions	1,200	-
Restrictions satisfied	<u>(1,521,986)</u>	<u>(1,571,202)</u>
Change in temporarily restricted net assets	21,211	201,966
Change in net assets	198,274	425,832
Net assets, beginning of year	<u>946,866</u>	<u>521,034</u>
Net assets, end of year	<u>\$ 1,145,140</u>	<u>\$ 946,866</u>

See notes to financial statements.

ASSOCIATION FOR UTAH COMMUNITY HEALTH
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2007

	Program Services Expense					Supporting Services Expense			Total
	Immunization	Americorps	Member Services	Pharmacy	Health Disparities Collaborative	Diabetes	Management and general	Fundraising	
Salaries and wages	\$ 59,350	\$ 79,442	\$ 212,446	\$ 39,436	\$ 57,672	\$ 12,631	\$ 71,669	\$ 35,834	\$ 568,480
Employee benefits	16,705	18,206	47,987	10,648	5,795	1,352	16,189	8,094	124,976
Payroll taxes	5,589	8,384	21,229	4,059	5,553	1,218	7,162	3,581	56,775
Contract services	-	-	57,791	-	-	-	19,496	9,748	87,035
Member costs	-	407,409	-	-	-	-	-	-	407,409
Pharmaceuticals	-	-	-	441,827	-	-	-	-	441,827
Service contracts	132,927	-	568	-	12,431	45,108	192	96	191,322
Professional fees	646	3,947	1,849	1,952	345	196	624	312	9,871
Supplies	954	295	9,868	339	434	23	3,329	1,665	16,907
Telephone	549	1,097	4,673	787	595	117	1,576	788	10,182
Occupancy	3,790	6,790	16,272	3,295	3,386	807	5,490	2,745	42,575
Postage and shipping	94	635	671	184	71	20	226	113	2,014
Copy and printing	89	176	5,827	1,472	82	18	1,966	983	10,613
Equipment	222	320	-	824	197	20	742	1,436	3,761
Subscriptions	37	-	1,263	200	45	-	426	212	2,183
Travel, lodging, meals	2,026	4,746	23,929	2,031	4,263	142	8,072	4,036	49,245
Meetings and workshops	2,222	126	42,896	2,787	70	7	14,471	7,235	69,814
Membership dues	53	112	867	147	47	11	292	146	1,675
Miscellaneous	2,616	569	9,237	2	302	713	3,116	1,558	18,113
Insurance	148	300	648	132	136	31	219	109	1,723
Depreciation	5,243	10,172	23,443	4,678	4,930	1,062	7,908	3,954	61,390
Total	\$ 233,260	\$ 542,726	\$ 481,464	\$ 514,800	\$ 96,354	\$ 63,476	\$ 163,165	\$ 82,645	\$ 2,177,890
									\$ 245,810

See notes to financial statements.

	Program Services Expense				Supporting Services Expense					
	Immunization	Americorps	Member Services	Health Disparities Collaborative	Diabetes	Total program services	Management and general	Fundraising	Total supporting services	Total
Salaries and wages	\$ 57,762	\$ 85,782	\$ 207,255	\$ 47,498	\$ 11,213	\$ 443,079	\$ 60,567	\$ 30,283	\$ 90,850	\$ 533,929
Employee benefits	15,258	25,862	40,404	5,353	1,615	95,140	11,675	5,838	17,513	112,653
Payroll taxes	5,057	7,845	20,177	4,286	1,034	41,611	5,959	2,979	8,938	50,549
Contract services	-	-	57,806	-	-	57,806	7,748	3,874	11,622	69,428
Member costs	-	441,735	-	-	-	441,735	-	-	-	441,735
Pharmaceuticals	-	-	-	-	-	714,007	-	-	-	714,007
Service contracts	143,856	-	-	-	40,000	183,856	-	-	-	183,856
Professional fees	638	3,629	2,051	260	158	8,790	561	280	841	9,631
Supplies	434	401	6,849	315	34	8,193	2,214	1,107	3,321	11,514
Telephone	611	1,276	4,684	554	143	7,885	1,457	729	2,186	10,071
Occupancy	1,655	2,606	6,311	1,218	420	13,667	1,828	914	2,742	16,409
Postage and shipping	69	520	794	79	13	1,719	148	74	222	1,941
Copy and printing	80	167	7,561	69	18	9,177	2,091	1,045	3,136	12,313
Equipment	53	174	10,828	159	31	12,865	3,390	1,694	5,084	17,949
Subscriptions	-	-	1,129	-	-	1,479	359	179	538	2,017
Travel, lodging, meals	5,002	8,830	25,822	4,179	139	46,496	8,273	4,137	12,410	58,906
Meetings and workshops	1,060	188	36,316	243	58	38,232	10,300	5,150	15,450	53,682
Membership dues	63	125	440	49	17	747	139	69	208	955
Miscellaneous	2,499	547	4,735	(121)	-	7,676	1,017	510	1,527	9,203
Insurance	167	333	664	130	46	1,481	199	100	299	1,780
Depreciation	2,720	5,797	12,791	2,429	583	26,749	3,758	1,879	5,637	32,386
Total	\$ 236,984	\$ 585,817	\$ 446,617	\$ 66,700	\$ 55,522	\$ 2,162,390	\$ 121,683	\$ 60,841	\$ 182,524	\$ 2,344,914

See notes to financial statements.

ASSOCIATION FOR UTAH COMMUNITY HEALTH

STATEMENT OF CASH FLOWS

	Year ended March 31,	
	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Cash received from programs	\$ 731,850	\$ 625,135
Cash received from grants and contracts	1,655,341	2,038,768
Cash paid to vendors, clinics and employees	(2,137,582)	(2,340,857)
Interest received	<u>4,438</u>	<u>2,699</u>
Net cash provided by operating activities	<u>254,047</u>	<u>325,745</u>
Cash flows from investing activities:		
Purchase of furniture and equipment, net	<u>(76,693)</u>	<u>(207,755)</u>
Net cash used in investing activities	<u>(76,693)</u>	<u>(207,755)</u>
Net increase in cash	177,354	117,990
Cash at beginning of year	<u>516,193</u>	<u>398,203</u>
Cash at end of year	<u>\$ 693,547</u>	<u>\$ 516,193</u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ 198,274	\$ 425,832
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	61,390	32,386
Changes in assets and liabilities:		
Decrease (increase) in grants and contracts receivable	(62,809)	98,963
Decrease (increase) in accounts receivable	78,274	(203,107)
Increase in deposits	(4,050)	-
Decrease in prepaid expenses	284	451
Decrease in accounts payable	(18,214)	(25,481)
Increase (decrease) in accrued liabilities	<u>898</u>	<u>(3,299)</u>
Net cash provided by operating activities	<u>\$ 254,047</u>	<u>\$ 325,745</u>

See notes to financial statements.

ASSOCIATION FOR UTAH COMMUNITY HEALTH

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES:

Association for Utah Community Health (the Association) is a nonprofit corporation organized under the laws of the State of Utah, to support and represent organizations committed to providing health care for the medically underserved and seeks to promote its commitment to the availability and accessibility of quality medical services to those facing financial, geographic and/or cultural barriers to health care. The Association accomplishes its mission through the following programs:

- Immunization: technical and financial assistance pertaining to members' immunization services.
- Americorps: providing human resources to the medically underserved community.
- Member services: technical and non-financial assistance to members.
- Pharmacy: administering contracted pharmaceutical services based on members' eligibility for participation in the VA Drug Pricing Program.
- Health disparities collaborative: technical assistance pertaining to members' chronic care services.
- Diabetes: technical and financial assistance pertaining to members' diabetes services.

These programs are funded by grants and contracts from various public and private agencies and membership dues.

Financial statement presentation

The accompanying financial statements of the Association have been prepared using the accrual method of accounting.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Net assets of the Association are reported according to the following three classes of net assets:

Unrestricted - accounts for unrestricted assets (net of related liabilities) available for support of the Association's operations. Assets designated by the Board of Directors for a specific purpose also are accounted for in this fund.

Temporarily Restricted - accounts for resources currently available for use, but expendable only for purposes specified by the donor or grant and contract agreements.

Permanently Restricted - accounts for gifts requiring in perpetuity that the principal be invested and the income only be used.

Cash and cash equivalents

For purposes of the statement of cash flows, the Association considers all unrestricted and temporarily restricted highly liquid investments with a maturity of three months or less to be cash equivalents.

Nonprofit status

The Association was organized as a nonprofit corporation in accordance with the laws of the State of Utah and is exempt from income taxation under provisions of Section 501(c)(3) of the Internal Revenue Code.

Furniture and equipment

Furniture and equipment is recorded at cost, less accumulated depreciation and is depreciated over three to seven years using the straight-line method.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS:

The Association maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts. The Association believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 3 - FURNITURE AND EQUIPMENT:

Furniture and equipment is summarized as follows:

	March 31,	
	2007	2006
Leasehold improvements	\$ 10,703	\$ 2,685
Furniture	10,821	8,103
Office equipment	175,658	146,879
Medical equipment	195,256	187,540
Less accumulated depreciation	(123,433)	(91,505)
	<u>\$ 269,005</u>	<u>\$253,702</u>

NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consists of the following activities:

	<u>March 31,</u>	
	<u>2007</u>	<u>2006</u>
Americorps	\$ 86,982	\$103,850
Immunization	41,255	19,516
OAT Grant	100,795	91,981
Diabetes	22,399	14,873
	<u>\$251,431</u>	<u>\$230,220</u>

NOTE 5 - PHARMACEUTICAL SERVICES:

The Association administers contracted pharmaceutical services for Utah health care centers that are members of the Association. With funds collected from the health center patients, the contract pharmacies reimburse the Association for the cost of the pharmaceuticals and include a one dollar per prescription administrative fee to the Association. Total reimbursed pharmaceutical costs for the years ended March 31, 2007 and 2006 totaled \$444,672 and \$716,188. During the years ended March 31, 2007 and 2006, administrative fees remitted to the Association totaled \$72,821 and \$78,817.

NOTE 6 - LEASE COMMITMENT:

The Association operated under a month-to-month lease agreement with Catholic Community Services of Utah for office space at a monthly lease payment of \$1,225. During the year ended March 31, 2006, the building was sold and the lease continued month-to-month at a monthly lease payment of \$1,725 through July 2006.

Effective August 2006, the Association entered into a new ten-year office space lease with a different landlord. This lease requires initial monthly lease payments of \$3,989, with increases in lease payments each year thereafter.

Minimum future lease payments for office space are as follows:

Year ending March 31,

2008	\$ 48,823
2009	50,284
2010	51,806
2011	53,377
2012	54,984
Thereafter	<u>257,801</u>
	<u>\$517,075</u>

Rent expense totaled \$42,575 and \$16,409 for the years ended March 31, 2007 and 2006.

NOTE 7 - RETIREMENT PLAN:

The Association maintains a defined contribution retirement plan for all full-time employees after one year of service. Payments to this plan totaled \$40,873 and \$34,749 during the years ended March 31, 2007 and 2006.

NOTE 8 - RELATED PARTY TRANSACTIONS:

Certain health care centers in Utah are members of the Association and individuals from the health care centers are members of the board of directors of the Association. As members of the Association, these health care centers are sometimes the recipients of specific service grants and contracts from the Association. As described in Note 5, the Association administers contracted pharmaceutical services on behalf of these health care centers.

NOTE 9 - CONCENTRATIONS:

A substantial portion of the Association's support is provided by U.S. Department of Health and Human Services grants. A loss of this support would have a materially adverse effect on the Association.

ADDITIONAL INFORMATION

ASSOCIATION FOR UTAH COMMUNITY HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2007

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Disbursements/ Expenditures</u>
<u>United States Department of Health and Human Services</u>			
Technical and Non-Financial Assistance to Community/ Migrant Health Centers (1)	93.129	4HC68CS00153-10	\$ 563,244
Pass-through from State Department of Community and Economic Development AmeriCorps (1)	94.006	05-1254 06-1160	180,849 <u>176,091</u>
			356,940
Congressionally-Mandated Telehealth Grants	93.888	1D1BTH03753-01	54,062
Pass-through from State Department of Health Expanded Immunization Services	93.268	03-6493	226,993
National Health Service Corps SEARCH Program	93.130	HHSH230200432021C	116,732
West Central Cluster Primary Care Association	93.129		<u>69,849</u>
Total			<u>\$1,387,820</u>

Significant Accounting Policies

The Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting and accordingly reflects all significant payables and other liabilities. A summary of Significant Accounting Policies used in the preparation of the financial statements is on pages 7 through 8.

(1) Major program

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

September 20, 2007

To the Board of Directors and Management of
Association for Utah Community Health

We have audited the financial statements of Association for Utah Community Health as of and for the year ended March 31, 2007, and have issued our report thereon dated September 20, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Association for Utah Community Health's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financials statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financials statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Association for Utah Community Health's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the board of directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

September 20, 2007

To the Board of Directors and Management of
Association for Utah Community Health

Compliance

We have audited the compliance of Association for Utah Community Health with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended March 31, 2007. Association for Utah Community Health's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Association for Utah Community Health's management. Our responsibility is to express an opinion on Association for Utah Community Health's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Association for Utah Community Health's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Association for Utah Community Health's compliance with those requirements.

In our opinion, Association for Utah Community Health complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2007.

Internal Control Over Compliance

The management of Association for Utah Community Health is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Association for Utah Community Health's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purposes of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the Association's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the board of directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lake, Hill & Myers

ASSOCIATION FOR UTAH COMMUNITY HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 2007

Summary of Auditors' Results

- i. The auditor issued an unqualified opinion on the financial statements of the Organization.
- ii. There are no reportable conditions or material weaknesses disclosed as a result of the audit of the financial statements.
- iii. The auditor noted no noncompliance which is material to the financial statements of the Organization.
- iv. There are no reportable conditions or material weaknesses in internal control over major programs disclosed as a result of the audit of the financial statements.
- v. The auditor issued an unqualified opinion on compliance with requirements applicable to each major program.
- vi. The auditor identified no findings reported under the caption of Audit Findings.
- vii. Major programs consisted of:

	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>United States Department of Health and Human Services</u>		
Technical and Non-Financial Assistance to Community/Migrant Health Centers	93.129	\$ 563,244
Pass-through from State Department of Community and Economic Development Americorps	94.006	<u>356,940</u>
		<u>\$ 920,184</u>

- viii. The dollar threshold to distinguish Type A and Type B programs was \$300,000. Programs were selected to meet the percentage coverage rule of OMB Circular A-133 § _____.520(f).
- ix. The Organization qualified as a low-risk auditee.

Audit Findings

There are no audit findings resulting from the audit.

ASSOCIATION FOR UTAH COMMUNITY HEALTH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED MARCH 31, 2007

Ref

Finding

There are no prior audit findings.

ASSOCIATION FOR UTAH COMMUNITY HEALTH
CORRECTIVE ACTION PLAN
YEAR ENDED MARCH 31, 2007

Ref

Corrective Action

There are no corrective action plan comments.